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MINUTES OF REDEVELOPMENT AGENCY MEETING – OCTOBER 7, 2008

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THE WEST VALLEY CITY REDEVELOPMENT AGENCY MET IN REGULAR SESSION ON TUESDAY, OCTOBER 7, 2008, AT 6:55 P.M., IN THE COUNCIL CHAMBERS, WEST VALLEY CITY HALL, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS CALLED TO ORDER BY VICE CHAIRMAN RUSHTON.

THE FOLLOWING MEMBERS WERE PRESENT:

Corey Rushton
Russ Brooks
Carolynn Burt
Joel Coleman
Dennis J. Nordfelt
Mike Winder

Paul Isaac, Acting Chief Executive Officer
Sheri McKendrick, Secretary

ABSENT: Steve Vincent

STAFF PRESENT:

Jim Welch, Finance Director
Richard Catten, City Attorney
Buzz Nielsen, Police Chief
Joseph Moore, CED Director
Russell Willardson, Public Works Director
Kevin Astill, Parks and Recreation Director
Layne Morris, Community Preservation Director
Stan Varney, Acting Fire Chief
Brent Garlick, CED Department
Nevin Limburg, CED Department
Craig Thomas, Administration
Jake Arslanian, Public Works Department

1284 **OPENING CEREMONY**

The Opening Ceremony was previously conducted by Carolynn Burt who read an excerpt from the book, “The Last Lecture” by Randy Pausch.

1285 **APPROVE MINUTES OF REGULAR MEETING HELD SEPTEMBER 2, 2008**

The Board read and considered the Minutes of the Regular Meeting held September 2, 2008. There were no changes, corrections or deletions.

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After discussion, Mr. Nordfelt moved to approve the Minutes of the Regular Meeting held September 2, 2008, as written. Mr. Coleman seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

1286

PUBLIC HEARING ON SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA PLAN DATED JULY 1, 2008, AND ON SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

Acting Chief Executive Officer, Paul Isaac, stated a public hearing had been advertised in order for the Board to hear and consider public comments regarding the Southwest Economic Development Project Area Plan dated July 1, 2008, and on the Southwest Economic Development Project Area Budget.

Mr. Isaac stated the process to form an economic development project area was governed by the Utah Community Development and Renewal Agencies Act. He also stated one requirement was for the Agency to approve a resolution adopting a plan for the project area.

The Acting Chief Executive Officer reported Utah State Redevelopment Statutes required the proposed Southwest Economic Development Area Plan and Budget be approved by a Taxing Entity Committee (TEC) composed of representatives from all the taxing entities who levied taxes in West Valley City. He further reported the TEC met on September 18, 2008, and approved the Southwest Economic Development Area Plan and Budget. He indicated the next step in the process was to hold a public hearing to receive comments for and against the Plan. The Agency Board would then consider the oral and written objections and decide whether to revise, approve or reject the draft Plan. He stated if adopted by the Agency Board, the Plan would then be referred to the City Council to be considered for adoption by ordinance.

Vice Chairman Rushton opened the public hearing, and proceeded as follows:

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A. PURPOSES OF PUBLIC HEARING AND PRESENTATION OF THE STATEMENT OF PURPOSES – RANDALL FEIL

Randall Feil, RDA attorney, addressed the Board and read the Statement at Combined Public Hearing (Hearing on Southwest Economic Development Project Area Plan and Project Area Budget), as follows:

“The minutes should show that this is the time and the date set for a combined public hearing on the Southwest Economic Development Project Area, Project Area Plan and Project Area Budget and for public comment, conducted by the Redevelopment Agency of West Valley City on Tuesday, October 7, 2008 at 6:30 P.M., in the City Council Chambers, West Valley City Hall, 3600 Constitution Boulevard, West Valley City, Utah, pursuant to Notice. The purposes of this combined public hearing area to:

(1) allow public comment on the draft Southwest Economic Development Project Area Plan (the “Project Area Plan”) for the Southwest Economic Development Project Area (the “Project Area”) and on the related draft Project Area Budget (the “Project Area Budget” or “Budget”);

(2) allow public comment on whether the draft Project Area Plan and draft Project Area Budget should be revised, adopted or rejected; and

(3) receive all written objections and hear all oral objections to the draft Project Area Plan.

The following documents, along with their related certificates of mailing, proofs of publication, etc., will be made part of the public hearing record:

1. A Notice of Public Hearing as required by the Utah Community Development and Renewal Agencies Act, Title 17C, Chapters 1 through 4 (the “Act”), Section 17C-3-401, 402, 403 and 404, Utah Code Annotated, which was published in the Salt Lake Tribune newspaper.
2. The Redevelopment Agency Resolution No. 07-10 dated November 13, 2007 authorizing the preparation of a draft project area plan, as provided by Section 17C-3-101(1) of the Act.
3. A notice dated the 4th day of September 2008 and executed by the Redevelopment Agency which was mailed to: (a) each owner of record owning property within the boundaries of the proposed

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Project Area; and (b) each taxing entity having the power to levy a tax within the boundaries of the proposed Project Area, which notice to taxing entities contained the provisions required by the Act.

4. The draft Economic Development Project Area Plan entitled, “Southwest Economic Development Project Area Plan” containing the provisions required by the Act, which draft Plan has been available for public inspection at the office of the Redevelopment Agency since at least September 4, 2008. Copies of said Plan are also available at this hearing and may be reviewed by interested parties.
5. The Agenda of this meeting and the Notice of Meeting which has been given as required by Section 52-4-6, Utah Code Annotated.

The Redevelopment Agency is holding this public hearing pursuant to the provisions of Section 17C-3-102(1) of the Act which reads as follows:

“(1) In order to adopt an economic development project area plan, after adopting a resolution under Subsection 17C-3-101(1) the agency shall:

...

(d) hold a public hearing on the draft project area plan and, at that public hearing:

(I) allow public comment on:

(A) the draft project area plan; and

(B) whether the draft project area plan should be revised, approved or rejected.”

The Agency is also holding this hearing pursuant to Section 17C-3-201(2) of the Act which states as follows:

“(2) To adopt an economic development project area budget, the agency shall: . . .

(d) hold a public hearing on the draft project area budget and, at that public hearing, allow public comment on:

(I) the draft project area budget; and

(ii) whether the draft project area budget should be revised, adopted, or rejected;

Pursuant to Section 17C-3-301 of the Act, the Agency Board may combine a plan hearing with a budget hearing. The public hearing record

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should indicate that the Agency has decided to combine the Plan hearing and the Budget hearing into one.

The public record should reflect that at the time of the commencement of this combined public hearing, the Redevelopment Agency has not received from any landowner, taxing entity or interested party any written or oral objections to the adoption of the draft Economic Development Project Area Plan entitled “Southwest Economic Development Project Area Plan” dated July 1, 2008 or to the adoption of the draft Project Area Budget. Because no written objections have been received, it will only be necessary to consider any oral objections to the adoption of the draft Economic Development Project Area Plan and Budget which may be made at this hearing.”

Upon inquiry by Mr. Feil, there were no questions from members of the Board regarding the Statement of Purposes.

B. REVIEW PROJECT AREA BUDGET FOR THE SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA – BOB SPRINGMEYER

Bob Springmeyer, Bonneville Research, addressed the Board, and using PowerPoint, discussed information summarized as follows:

- Background and explanation of Hexcel and their carbon fiber manufacturing business
- Budget summary
- EDA benefits to West Valley City
- Development needs/requested EDA support

C. REPORT OF THE TAXING ENTITY COMMITTEE – RUSS BROOKS

Russ Brooks addressed the Board and reported the TEC (Taxing Entity Committee) met on September 18, 2008, and voted unanimously to approve the Plan and Budget. Mr. Brooks discussed and reported in detail regarding that meeting. He stated the Committee expressed excitement regarding the EDA which was a “win/win” for all entities involved.

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D. AGENCY BOARD QUESTION PERIOD REGARDING THE SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

Bob Springmeyer, Bonneville Research, addressed the Board. Mr. Springmeyer answered question from members of the Board regarding the Budget.

E. REVIEW OF THE DRAFT SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA PLAN – BRENT GARLICK, NEVIN LIMBURG AND RANDALL FEIL

Brent Garlick and Nevin Limburg, CED Department, and Randall Feil, Attorney for the RDA, addressed the Board.

Using PowerPoint, Mr. Limburg presented information summarized as follows:

- Economic Development Strategic Plan
- Economic Development Area (EDA) benefits
- Public purpose – new and higher paying jobs/not shifting
- No retail
- Benefit analysis
 - Reasonableness
 - Maximize private investment
 - Would development occur anyway?
 - Associated business activity
- West Valley City's proposal
 - Establish the 400-acre Southwest EDA
- Map and photos of property included in proposed EDA
- Site problems:
 - Gravel pits occupy 250 currently undevelopable acres
 - High land prices due to existing high value uses and necessary reclamation
 - Transportation problems – access to the site and within the site and Mountain View Corridor unknown timetable of construction
 - Utilities, drainage, etc.
 - Hexcel expansion requires more land
- Budget Summary
 - \$1.056 billion proposed private capital investment
 - Total available tax increment = \$80.6 million

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Pass through to other taxing agencies @ 15% = \$12.1 million
Total available to agenda for project costs = \$68.5
Project area enhancements (after pass through, housing,
RDA administration) = \$53.1 million
Housing fund @ 20% = \$13.7 million
Redevelopment Agency administration @ 2.5% = \$1.7 million

- What the EDA gives us:
 - Adequate increment to incentivize Hexcel and overcome significant site issues
 - Maximum pass through possible
 - Housing Fund to support City's Moderate Income Housing Plan
 - Minimum administration
 - Will leverage \$1.056 billion in new investment
 - Property is zoned Manufacturing and is ideally suited for an industrial park
 - Hexcel expansion should stimulate positive development on adjacent properties
- Hexcel expansion and other Southwest EDA development:
 - 7,600 new jobs
 - Average annual payroll = \$831 million per year
 - West Valley City tax increment cost per new job = \$4,072
 - Examples of tax increment cost per new job in other cities:
KraftMaid in West Jordan = \$8,333, Dannon in West Jordan = \$14,285 and Micron in Lehi = \$6,500
- Development Needs / Requested EDA Support:
-\$55,433,100 for infrastructure, utilities, site improvements, land acquisition, relocation, incentives and grants, development fees, financing and other eligible expenditures
- Benefit to Taxing Entities over existing conditions through years 2010 to 2024 (pass through) is:

Granite School Dist.	\$4,835,209
SL County	\$1,789,027
West Valley City	\$2,852,773
All others	<u>\$2,611,013</u>
Total	\$12,088,022

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- Continued monetary benefit to the Taxing Entities after 2024 is projected to be the following amounts per year:

Granite School Dist.	\$3,069,537
SL County	\$1,131,151
West Valley City	\$1,811,883
All others	<u>\$1,651,911</u>
Total	\$7,664,482

- Benefits to West Valley City:
Current City tax: \$207,854/year
\$2,852,773 pass through
\$3,500,500 fees total
\$13,699,758 housing
\$1,712,470 RDA administration
Total: \$21,765,001
In year 16 the property tax increases to \$1,811,833/year

F. AGENCY BOARD QUESTION PERIOD REGARDING DRAFT PLAN

Upon inquiry, there were no questions by members of the Board regarding the Draft Plan.

G. RECEIPT OF WRITTEN OR ORAL OBJECTIONS TO PROJECT AREA PLAN, PUBLIC COMMENT ON THE DRAFT PROJECT AREA PLAN AND PROJECT AREA BUDGET, AND PUBLIC COMMENT ON WHETHER THE PROJECT AREA PLAN AND PROJECT AREA BUDGET SHOULD BE REVISED, ADOPTED OR REJECTED:

(1) PRESENTATION BY PROPERTY OWNERS WITHIN THE PROPOSED PROJECT AREA, IF ANY

Upon inquiry by Vice Chairman Rushton, the following individuals addressed the Board:

Gene Barton, Controller for Hexcel, addressed the Board. Mr. Barton stated it was important to recognize the City needed to be competitive to bring in jobs, growth and additional tax base with Hexcel. He further stated this would be a “win/win” situation for the community and Hexcel. He expressed support for the EDA and thanked Board members for the opportunity to present his views in the public hearing.

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Doug Clark, Managing Director of Growth for Governor's Office of Economic Development, addressed the Board. Mr. Clark stated this was part of an overall strategy to develop business, research and technology centers, with support nodes where major employment could occur. He distributed and discussed written information regarding a project in Davis County and other areas which would bring in many jobs to the State of Utah. He also indicated other locations were being looked at for development and the subject EDA was also of interest. He discussed reasons including transportation, lower cost of large parcels of land, and others. He indicated this could become a major employment center in addition to Hexcel and requested the Board approve the proposal.

(2) PRESENTATIONS BY TAXING ENTITIES, IF ANY

Upon inquiry by Vice Chairman Rushton, there were no taxing entities desiring to address the Board during the public hearing.

(3) PRESENTATIONS BY OTHER PARTIES HAVING AN INTEREST, IF ANY

Upon inquiry by Vice Chairman Rushton, there were no other parties having an interest desiring to address the Board during the public hearing.

H. AGENCY BOARD QUESTION PERIOD AND RESPONSE BY AGENCY STAFF

Vice Chairman Rushton advised the floor would be opened to questions from Board members and responses by Agency staff.

Upon inquiry by Mr. Coleman regarding what else was envisioned in addition to the Hexcel expansion, Bob Springmeyer explained the clustering concept of development and how it related to the Hexcel expansion proposal. Mr. Springmeyer also stated development was anticipated in technology, transportation and warehousing.

Mr. Nordfelt expressed a desire for a research and development component in conjunction with the University of Utah graduate schools.

Doug Clark, Managing Director of Growth for the Governor's Office of Economic Development, discussed past meetings with the University of Utah staff regarding possible locations for business and technology centers

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in which a potential of the west side of the Salt Lake Valley was discussed.

1287 **MOTION TO CLOSE PUBLIC HEARING**

After discussion, Mr. Coleman moved to close the public hearing. Mr. Brooks seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

Vice Chairman Rushton closed the public hearing.

1288 **SUMMARY OF PROPOSED FINDINGS OF AGENCY – RANDALL FEIL**

Randall Feil, Attorney for the RDA, addressed the Board and read the proposed Findings as appearing in proposed Resolution No. 08-23, Section 5. A. – E. on page 4, as follows:

“Section 5. Agency Board Findings. The Agency board hereby determines and finds as follows:

- A. There is a need to effectuate a public purpose, and implementation of the Project Area Plan would accomplish the public purposes set forth in the Act.
- B. There is a public benefit under the benefit analysis referred to in Exhibit “C” to the Project Area Plan and described in Subsection 17C-3-103(2) of the Act.
- C. It is economically sound and feasible to adopt and carry out the Project Area Plan.
- D. The Project Area Plan conforms to West Valley City’s General Plan.

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- E. The Project Area Plan would develop the Project Area in conformity with the Act, and carrying out the Project Area Plan will promote the public peace, health, safety and welfare of West Valley City.”

Mr. Feil requested the Board consider the Findings and adopt them by motion, separate from the resolution.

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CONSIDERATION AND ADOPTION OF FINDINGS

After discussion, Mr. Nordfelt moved to adopt Findings A-E, as presented and read by Randall Feil, Attorney for the RDA. Ms. Burt seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

1290

CONSIDERATION AND ADOPTION OF RESOLUTION NO. 08-23, ADOPTING THE PROJECT AREA PLAN ENTITLED, “SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA PLAN,” DATED JULY 1, 2008

Acting Chief Executive Officer, Paul Isaac, presented proposed Resolution No. 08-23 which would adopt the Project Area Plan entitled, “Southwest Economic Development Project Area Plan,” dated July 1, 2008.

Mr. Isaac stated the process to form an economic development project area was governed by the Utah Community Development and Renewal Agencies Act. He also stated one requirement was for the Agency to approve a resolution adopting a plan for the project area.

The Acting Chief Executive Officer reported the Utah State Redevelopment Statutes required the proposed Southwest Economic Development Area Plan and Budget be approved by a Taxing Entity Committee (TEC) composed of representatives from all the taxing entities levying taxes in West Valley City. He stated the TEC met on September 18, 2008, and approved the Southwest Economic Development Area Plan and Budget. He further stated, if adopted by

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the Agency Board, the Plan would be referred to the City Council for action and adoption by ordinance.

After discussion, Mr. Winder moved to approve Resolution No. 08-23, a Resolution of the Redevelopment Agency of West Valley City Adopting the Project Area Plan Entitled, “Southwest Economic Development Project Area Plan,” Dated July 1, 2008. Mr. Nordfelt seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

1291

CONSIDERATION AND ADOPTION OF RESOLUTION NO. 08-24, ADOPTING THE SOUTHWEST ECONOMIC DEVELOPMENT PROJECT AREA BUDGET AS APPROVED BY THE TAXING ENTITY COMMITTEE ON SEPTEMBER 18, 2008

Acting Chief Executive Officer, Paul Isaac, presented proposed Resolution No. 08-24 which would adopt the Southwest Economic Development Project Area Budget as approved by the Taxing Entity Committee on September 18, 2008.

Mr. Isaac stated the process to form an economic development project area was governed by the Utah Community Development and Renewal Agencies Act. He also stated one requirement was for the Agency to approve a resolution adopting a Budget for the project area.

The Acting Chief Executive Officer reported the Utah State Redevelopment Statutes required the proposed Southwest Economic Development Area Plan and Budget be approved by a Taxing Entity Committee (TEC) composed of representatives from all the taxing entities levying taxes in West Valley City. He stated the TEC met on September 18, 2008, and approved the Southwest Economic Development Area Plan and Budget. He indicated the next step in the process had been to hold a public hearing to receive comments for or against the Budget. He stated the Agency Board then would consider the oral and written objections, decide whether to revise the Budget, and approve or reject the draft Budget.

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After discussion, Mr. Brooks moved to approve Resolution No. 08-24, a Resolution of the Redevelopment Agency of West Valley City Adopting the Southwest Economic Development Project Area Budget as Approved by the Taxing Entity Committee on September 18, 2008. Mr. Coleman seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

1292 RESOLUTION NO. 08-25, SELECTING ASCENT CONSTRUCTION, INC. FOR THE DESIGN, DEVELOPMENT AND CONSTRUCTION OF THE JORDAN RIVER MARKETPLACE

Acting Chief Executive Officer, Paul Isaac, presented proposed Resolution No. 08-25 which would select Ascent Construction, Inc. for the design, development and construction of the Jordan River Marketplace.

Mr. Isaac stated that in April, 2008, the RDA solicited requests for proposals seeking a development team to design, develop and construct the City's Jordan River Marketplace. He informed that on September 2, 2008, the Board instructed RDA staff to begin working with Ascent Construction. He also stated the subject resolution would approve the selection and allow staff to proceed in negotiating deal points for an ADL to be brought to the Board for consideration at a later date.

The Acting Chief Executive Officer reported the Jordan River RDA had been established in the year 2000 and contained approximately 50 total acres of land. He stated the RDA project had been implemented to remove and rehabilitate structurally substandard buildings and assure long-term economic viability to the area. He reported the project had also been implemented to provide improved public streets, road access and traffic circulation to attract residential, mixed use, business and cultural activities.

After discussion, Ms. Burt moved to approve Resolution No. 08-25, a Resolution Selecting Ascent Construction, Inc. for the Design, Development and

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Construction of the Jordan River Marketplace. Mr. Coleman seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

1293

MOTION TO ADJOURN RDA MEETING

Mr. Coleman moved to adjourn the Redevelopment Agency Regular Meeting and reconvene the City Council Regular Meeting. Mr. Nordfelt seconded the motion.

A roll call vote was taken:

Mr. Brooks	Yes
Mr. Coleman	Yes
Ms. Burt	Yes
Mr. Nordfelt	Yes
Mr. Winder	Yes
Vice Chairman Rushton	Yes

Unanimous.

THERE BEING NO FURTHER BUSINESS OF THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY, THE REGULAR MEETING OF TUESDAY, OCTOBER 7, 2008, WAS ADJOURNED AT 7:48 P.M., BY VICE CHAIRMAN RUSHTON.

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I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Regular Meeting of the West Valley City Redevelopment Agency held Tuesday, October 7, 2008.

Sheri McKendrick, MMC
Secretary

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